

MINUTES

**Highway Expansion and Extension Loan Program
Advisory Committee Meeting
206 South 17th Avenue, Transportation Board Room
Phoenix, Arizona**

August 30, 2005

Committee Members Present:

John McGee, Chair
David Felix
Michael Anderson

Jim Glock
Paul Schwartz

Members Absent:

Victor Mendez
William Gray Beyer

Lela Steffey

Others Present:

John Fink, ADOT
Steve Schaefer, ADOT

Val Carrola, ADOT

Call to Order

The meeting was called to order by Mr. John McGee at 1:03 p.m. A quorum was present.

Adoption of Minutes

Mr. Glock noted a correction to the second paragraph on page 2 changing "FIMA" to "FEMA."

Action: A motion to approve the Minutes of the April 2, 2005 meeting as amended was made by Mr. Glock, seconded by Mr. Schwartz and passed unanimously.

Prior Business

Mr. McGee informed the Committee that the State Transportation Board had adopted a resolution establishing guidelines for HELP loan capacity distribution through 2010 as 37% in MAG, 13% in PAG, and 50% for the rest of state. Mr. Felix asked when this guideline would become effective and Mr. McGee responded that the guideline would apply for loans approved beginning January 1, 2005.

Mr. McGee also noted that the State Transportation Board had approved the Alvernon Way, River Road to Fort Lowell Road application submitted by Pima County.

New Business

Cash/Loan Status Report

Mr. Fink provided the cash and loan status reports as of July 31st. He indicated that the HELP Fund had a cash balance of \$98 million with total loans outstanding of approximately \$128 million.

Mr. McGee inquired about the status of the Six Shooter Road and Bridge loan approved in 2002 for the amount of \$487,500. Mr. Fink and Mr. Schaefer indicated that Gila County was having difficulty obtaining necessary clearances, but that they continued to pursue the project and hoped to begin construction early next year. Mr. Schaefer said that he generally tries to call periodically to check on the status. Mr. Glock suggested that Mr. Schaefer request a written status report from Gila County and that the Committee agenda the issue for the next meeting.

Mr. Felix asked if any borrowers have been tardy with loan payments. Mr. McGee responded that with the ability to intercept HURF dollars, we haven't had a problem with tardy loan repayments.

Application Status Report

Mr. Schaefer indicated that he had sent out a letter soliciting loans. He also said that he had made a presentation at the rural development conference and had scheduled a number of meetings throughout the state to discuss potential applications. He said that he is expecting a \$12 million loan application from Pinal County and an application for a small loan for the City of Tombstone.

Federal Reauthorization Update

Mr. McGee informed the group that Congress had passed a reauthorization bill totaling about \$295 billion over six years. He said that the bill contains provisions to reopen the SIB program to all fifty states, and that a state can set aside up to 10% of certain federal funds for deposit to the SIB. Mr. McGee noted that FHWA will need to clarify how these new provisions will be implemented for states with existing SIBs. He noted that there is a major difference between the original SIB program and this new SIB program and that this relates to how federal provisions apply after the first use of federal funds. He said that with the original SIB program, federal provisions only applied on the first use of federal funds. Under that new SIB program, the federal provisions would apply to all loans funded with federal funds. Mr. McGee indicated that, as the program currently stands, it is unlikely that we will be in a position to recommend to the Board that additional federal funds be put into the HELP.

Consideration of Loan Applications

City of Kingman: North Bank Street Reconstruction Project – \$2,000,000

Mr. Schaefer provided a brief description of the North Bank reconstruction project and its importance to the residents of the City of Kingman. He noted that this application had been submitted approximately two years ago, but was held pending availability of HELP funding for projects in the 13 other counties. He explained that the City of Kingman had originally requested \$2.5 million but has reduced the requested loan amount to \$2 million because they have been able to secure additional funding for part of the project. He also said that the City plans to go to bid in December and start construction in January.

Action: A motion to approve the City of Kingman loan application was made by Mr. Glock, seconded by Mr. Felix and passed unanimously.

Town of Sahuarita: La Canada Drive Phase II – \$3,900,000

Mr. Schaefer provided a brief description of the La Canada Drive, Phase II construction project. He explained that there is a severe drainage problem with the existing roadway in addition to extensive development that has occurred in the area. Mr. Schaefer referenced the proposed repayment schedule and noted that the loan was for a duration of one year.

Action: A motion to approve the Town of Sahuarita loan application was made by Mr. Felix, seconded by Mr. Schwartz and passed unanimously.

Mr. McGee informed the Committee that both application requests would be submitted to the State Transportation Board at their September 23rd meeting.

Next Regular Meeting

Mr. McGee suggested that the next meeting take place within the next month or two, depending on the timing of loan applications, and that it be conducted as a teleconference meeting.

Call to the Public

No comments were made.

Adjourn

There being no further business, the meeting was adjourned at 2:05 p.m.

John McGee